

Course Title	:	Health Policy
Course Code	:	SSC3312
Recommended Study Year	:	3 and 4
No. of Credits/Term	:	3
Mode of Tuition	:	Sectional approach
Class Contact Hours	:	3 hours per week
Category in Major Prog.	:	SPPS/HSSM Stream (Elective Course)
Discipline	:	Economics / Social Sciences
Prerequisite(s)	:	(a) ECO2101 Introduction to Economics, or (b) ECO2104 Introduction to Microeconomics and ECO2105 Introduction to Macroeconomics, or (c) BUS2105 Microeconomics for Business
Co-requisite(s)	:	N/A
Exclusion(s)	:	N/A
Exemption Requirement(s)	:	N/A

Brief Course Description

This course provides analysis of health policy issues with particular reference to Hong Kong and China, but will also draw from the health reform debate overseas to shed light on the health policy problem in general. Students will use the tools of economic analysis in learning how health is the joint output of private and public sector input and lifestyle, and how different approaches in financing and designing health care delivery will affect efficiency, distribution, and the quality of health care.

Aims

This course introduces to students the economic approach to analysing health and health care policy issues. There are three components: (1) A theoretical framework about health and health policy; (2) A review of the main health care financing systems around the world; (3) The HK and China situation, with a view to coming up with recommendations to fit our needs.

Learning Outcomes (LOs)

Upon completion of this course, successful students should be able to:

1. identify the importance and determinants of functional health and health stock;
2. explain how health policy may be designed to address the concerns for accessibility, quality, and efficiency;
3. engage in the ongoing policy debate about healthcare financing and delivery intelligently;
4. apply risk management and pinpoint why a particular policy will succeed or fail against the criteria of enhancing ex ante welfare, fiscal sustainability, and efficiency; and
5. demonstrate a concern for predicaments of people caught in health-related misfortunes.

Indicative Contents

- I. Overview of the economic theory of health and health policy
 - a. Dimensions of economics of health: functional health and health stock;
 - b. Health as an input into household and firm production
 - c. State of health as an output of lifestyle, health service inputs, health-sustaining inputs, and illness-causing agents
 - d. The life-cycle of health
 - e. Market vs. public provision of health services
 - f. Human nature and policy
- II. Market subject to: Principal-agent problem, adverse selection, moral hazard, and other information problems
 - a. The insurance problem: risks as risks for possible expenditures versus known claims for expenditures
 - b. Role and nature of uncertainty
 - c. Characteristics of the health care market, suppliers and consumers of medical services
- III. Government subject to inadequacies
 - a. Inadequate knowledge about human nature
 - b. Inadequate knowledge about policy tools
 - c. Inadequate knowledge about costs and benefits
 - d. Inadequate knowledge about what market can and cannot offer
 - e. Inadequate knowledge about optimal policy choices
- IV. Policy Formulation & evaluation: economic efficiency, policy efficiency, equity, and cost benefit analysis
 - a. Knowing the roles of market and government
 - b. Understanding what constitutes the public interest
- V. Discussion of health care systems around the world
 - a. Beveridge system: UK's National Health System
 - b. National Insurance System: Canada
 - c. Bismark system: Germany and France
 - d. The American market based system
 - e. Health care system in mainland China
 - f. Health care in Singapore
 - g. Health care in Hong Kong
- VI. What We Recommend
 - a. Government provision of healthcare as backbone, market provision as supplement
 - b. Excessive Burden Protection
 - c. Lifetime Healthcare Supplement
 - d. Massive Group Insurance for Rare Diseases
 - d. Optimal balance between prevention and treatment

Teaching Method

Lectures, classroom discussions and tutorial presentations and discussions. Ideas introduced in the class will be critically examined making reference to actual practices and experiences in Hong Kong, the Mainland, the US, and other jurisdictions. The understanding of key concepts and theories will be reinforced by “situational questions”, case studies, and examples.

Measurement of Learning Outcomes

1. Tutorials are designed to assess students’ comprehension of lecture and assigned readings. Students are required to lead and participate in group discussions, articulate coherent argument, and conduct presentations. Tutorial presentations and discussions will test students’ knowledge of key concepts and theories as well as their ability to apply the ideas analytically. (LOs 1-5)
2. A mid-term test and the final examination assess students’ understanding and applications of economic concepts introduced in the course. Students are expected to apply these concepts to the real world, and thus be able to evaluate alternative healthcare regimes or reform packages. (LOs 1-4)
3. A mid-term questionnaire survey assesses students’ understanding of the nature of health and human nature, how to evaluate health policy, and their mastery of analytical skills. (LOs 1-4)

Assessment

Continuous assessment	:	50%	
		(mid-term test	-40%,
		attendance and participation	- 10%)
Final examination	:	50%	

Good Practices

1. Frequent interaction on Moodle with students.
2. A mid-term teaching and course evaluation is conducted to obtain feedback.
3. Emailed questions about contents of the course will be answered within two days.
4. The understanding of key concepts and theories will be reinforced by “situational questions” and examples to check the ability of students to apply them.

Required/Essential Reading

Folland, Sherman, Allen Goodman, and Miron Stano, *The Economics of Health and Health Care*, 9th Edition, Routledge, 2019.

Ho, Lok Sang, *Health Policy and the Public Interest*, Routledge, 2013.

Recommended/ Supplementary Readings

- Hay, Joey, *Health Care in Hong Kong: an Economic Policy Assessment*, Hong Kong: The Chinese University Press for HK Centre for Economic Research, 1992.
- Ho, Lok Sang, *Health Care Delivery and Financing: A Model for Reform*, Hong Kong: City University of HK Press 1997.
- Ho Lok Sang, "Health Care Funding and Delivery in Hong Kong: what should be done?", *Hong Kong Medical Journal*, pp.155-61. July 2001.
- Ho LS, Zhang T, Kwok TCT, Wat KP, Lai FTT and Li S (2022) Financing Orphan Drugs Through a Blockchain-Supported Insurance Model. *Front. Blockchain* 5:818807. doi: 10.3389/fbloc.2022.818807
[Frontiers | Financing Orphan Drugs Through a Blockchain-Supported Insurance Model](#)
- Newhouse, Joseph P., "Symposium on Health Care Reform", *Journal of Economic Perspectives*, 8(3), 1994.
- Phelps, Charles, *Health Economics*, New York: Addison Wesley, Harper Collins, 1997.
- Stiglitz, J., *Economics of the Public Sector*, New York: Norton, 1988.
- Victor R. Fuchs, *Who Shall Live? Health, Economics And Social Choice*, World Scientific Publishing Co Pte Ltd, 2011.
- Zakaria, Fareed, *From Wealth to Power: The Unusual Origins of America's World Role*, Chichester: Princeton University Press, 1998.

Important Notes:

- (1) Students are expected to spend a total of 9 hours (i.e. 3 hours of class contact and 9 hours of personal study) per week to achieve the course learning outcomes.
- (2) Students shall be aware of the University regulations about dishonest practice in course work, tests and examinations, and the possible consequences as stipulated in the Regulations Governing University Examinations. In particular, plagiarism, being a kind of dishonest practice, is "the presentation of another person's work without proper acknowledgement of the source, including exact phrases, or summarised ideas, or even footnotes/citations, whether protected by copyright or not, as the student's own work". Students are required to strictly follow university regulations governing academic integrity and honesty.
- (3) Students are required to submit writing assignment(s) using Turnitin.
- (4) To enhance students' understanding of plagiarism, a mini-course "Online Tutorial on Plagiarism Awareness" is available on <https://pla.ln.edu.hk/>.
- (5) Students must adhere to the University's guidelines and practices when using Generative Artificial Intelligence (AI) tools. The official documents "Guidelines for Using GAI Tools at Lingnan University" and "Best Practices for Ethical and Responsible Use of GAI Tools in Course Assessments" can be found here: <https://www.ln.edu.hk/tlc/generative-artificial-intelligence/gai-guidelines-best-practices>.

Assessment Rubrics

Rubrics for tutorial presentation and participation (20%)

Dimensions	Excellent A-, A	Good B- to B+	Fair C- to C+	Pass D, D+	Failure F
Presentation (10%)	Presentation covers topic completely and in depth. Information is clear, appropriate, and accurate. Presentation is exceptionally wellorganized and easy to understand.	Presentation includes most of the essential information. Most information is clear, appropriate, and accurate. The flow of the presentation is mostly clear and easy to follow.	Presentation includes some essential information. Some information is confusing, incorrect, or flawed. Some parts of the presentation are unclear and not easy to follow.	Presentation includes little essential information. Most information is confusing, incorrect, or flawed. Most part of the presentation is unclear and confusing to follow	Presentation includes no essential information. Information is confusing, incorrect, or flawed. Presentation is not organized at all and is hard to follow.
	Handles questions well, and clearly articulates what worked well and why	Handles questions well, and clearly articulates what worked well and why	Handles questions partially, and not always clear about what and why	Handles questions poorly, not clear about what and why at all	

Participation (10%)	Frequently raises good questions and/or eagerly responds to questions	Often raises good questions and/or eagerly responds to questions	Occasionally raises questions and/or responds to questions	Rarely raises questions and/or responds to questions	Fails to fulfill satisfactory attendance
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Rubrics for Mid-term Test and Final Exam (30% and 50%)

Dimensions	Excellent A-, A	Good B- to B+	Fair C- to C+	Pass D, D+	Failure F
Comprehension (24% and 40%)	Demonstrates a thorough understanding of the relevant concepts, reasoning, and methodology.	Demonstrates a good understanding of the relevant concepts, reasoning, and methodology.	Demonstrates a fair understanding of the relevant concepts, reasoning, and methodology.	Demonstrates a superficial understanding of the relevant concepts, reasoning, and methodology.	Demonstrates insufficient understanding or misunderstanding of the relevant concepts, reasoning, and methodology.
Clarity (6% and 10%)	Consistently accurate, logical and clear	Generally accurate, logical and clear	Comprehensible and clear with some minor lapses	Comprehensible but there are some major lapses	Largely incomprehensible